Completion of Iran-India Gas Pipeline Project

112. SHRI JANARDHANA POOJARY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the Iran-India gas pipeline project;

(b) whether certain factors are impeding its timely completion; and

(c) if so, what are the details in this regard and efforts made to ensure timely completion of the project?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) India is pursuing the import of natural gas from Iran, (i) through a deep sea natural gas pipeline (ii) through as onland pipeline *via* Pakistan and or (iii) as Liquefied Natural Gas (LNG). Imports through an onland natural gas pipeline *via* Pakistan is considered feasible economic option. The total length of the pipeline would be about 1900 km upto the Indian border, of which 1100 Km would lie in Iran and 800 km in Pakistan. The project could be tentatively completed by 2010-2011 subject to resolution of various issues.

(b) and (c) Security of gas supplies through Pakistan territory is a major concern in the development of Iran-Pakistan-India gas pipeline project. In additions, issues such as pipeline route and offtake becation, delivered gas price and quality, transit fee, appropriate sovereign guarantees etc., are the other important issues which need to be resolved. The Minister visited Tehran on 5-6 December, 2004 when issues relating to a possible pipeline were flagged. The matter was further discussed with the Iranian Minister on the sidelines of the Asian Oil Ministers' Meet held at New Delhi in 6th January, 2005. After Cabinet clearance on 9 February, 2005, techno-commercial discussions were initiated on the margins of the 3rd Asian Gas Buyers Summit held at New Delhi on 14-15 February, 2005 and are scheduled to be resumed in Tehran on 5 March, 2005.

Decisions taken at the Conference of Asian Oil Ministers

113. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a first-ever round table conference of Asian Oil Ministers

held in New Delhi on 7th January, 2005, has agreed to endorse India's proposal for an Asian Oil Market;

(b) whether it was also decided to create a benchmark crude for the Asian market;

(c) the name of the countries who participated and the details of the decisions taken thereat; and

(d) whether the oil producing countries gave any assurance to keep the prices and supply stable so that economic growth may go on unhindered?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) The first Round Table of Asian Ministers on regional cooperation in the oil & gas economy was neld in New Delhi on 6th January, 2005. Besides India, representatives from Kuwait, Iran, Japan, Malaysia, Oman, Qatar, Saudi Arabia, UAE, China and Korea participated in the conference. In addition, representatives from the International Energy Agency, International Energy Forum and OPEC participated. A copy of the Chairman's statement on the conclusions of the conference is annexed as statement *(See* below). It has been circulated to participants for comments.

Statement

Chairman's Statement on the conclusion of the first Round Table of Asian Ministers on Regional Cooperation in the Oil and Gas economy, New Delhi on 6th January, 2006

A. Genera!

1. The Asian oil economy is intergral t and inseparable from the global oil economy.

2. With Asian destinations emerging as the principal consumers for Asian production, and the share of Asia in global production and consumption likely to progressively increase, cooperation between Asian producers and Asian consumers is crucial ensuring.

Stability,

Security and
Sustainability
through
mutual interdependence
in the Asian oil and gas economy.

3. The fundamentals of such cooperation must include moderation, dialogue, mutual understanding and respect, security of international supplies, demand-supply equilibrium, and strategic partnerships based on a reciprocity of interests.

4. To this end, an Asian dialogue is both welcome and indispensable aimed at evolving and elaborating an Asian concensus.

5. It is, therefore, agreed that the instrumentality of Round Tables of Asian Ministers on Regional Cooperation in the Oil and Gas Economy, initiated here in New Delhi, must be maintained. The following countries have kindly agreed to host/co-host subsequent Round Tables:

Second Round Table	Saudi Arbia Co-host: Japan
Third Round Table	Japan, Co-Host: Qatar
Fourth Round Table	Kuwait, Co-host: Republic of Korea

The Round Tables may follow the pattern of alternating between net importing and net exporting countries.

6. For the preparation of Ministerial Round Tables, the Secretariat of the International Energy Forum might convene experts, operators and officials to prepare position papers and agenda documents.

7. To reinforce Ministerial level discussions at the Round Tables, a parallel effort may be initiated to bring together Asian business operators belonging to the countries represented at the Round Table.

B. STABILITY AND SECURITY

1. There is scope for improving Asian markets for petroleum and petroleum products. The issue requires careful study and detailed consideration, primarily among experts and operators with a view to indentifying broad policy parameters that might require further consideration.

2. Prices should be sustained at levels which encourage Asian consumers to increase their purchases of Asian produce; at the same time, prices should be such as to encourage Asian producers to promote investment in oil and gas for Asian consumer destinations as an economic priority.

3. Crisscross Investments all along the entire oil and gas products chain through reciprocal investment interlocking of producers and consumers will guarantee security of both supply and demand, thus contributing to stability of prices and thereby security of both supply and demand. Thus stability of prices would encourage domestic and crosscountry investment in all streams of the petroleum sector and other energy-related projects.

4. Caution must be exercised in promoting balanced investment so that over-investment does not lead to excess capacity nor under-investment to shortage of supplies.

5. Strategic storage and stockpiling contribute to security, and in this regard the valuable experience of Japan might hold significant lessons for other major consumers. However, there must be no abuse for illegitimate commercial purposes of such strategic storage and stockpiles.

6. The exchange of information and kr wledge is the key to increasing confidence on the part of both buyers and sellers.

7. The Sustainable and Flexible Energy system ("SAFE") proposed by Japan constitutes a useful framework for further consideration of issues of energy security.

8. The Iranian proposal for an Asian Bank for Energy Development merits deeper consideration.

C. SUSTAINABILITY

1. Endorsing the importance of energy conservation for the protection of the environment and issues of climate change, the need for technological in the pursuit of cleaner and^more environmentally-sound fossil fuel technologies was emphasized.

2. To this end, cooperation among Asian research and development centers and the promotion of conservation awareness among the general public were recognized a key instrumentalities.

Exploration of crude oil in Rajasthan and Punjab

114. DR. NARAYAN SINGH MANAKLAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the quantum of crude oil explored in recent years in the State of Rajasthan and Punjab;

(b) whether Government are considering to set up any oil refinery plant in these States;

(c) if so, the details thereof, States-wise and

(d) if not, in the State of Rajasthan, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) Heavy oil and bituman were discovered in the Baghewala area of Jodhpur district in Rajasthan in the year 1991 by Oil India Limited (OIL). The in-place reserves estimate of heavy oil is 24 MMT and of bitumen, 53 MMT

As far as private/joint venture companies are concerned, crude oil (proved initial in-place) reserves discovered in Rajasthan in recent years are about 156.2 Million Metric Tonne (MMT).

No crude oil has been discovered in Punjab yet.

(b) to (d) Hindustan Petroleum Corporation Limited (HPCL) is setting up an oil refinery at Bathinda (Punjab). Crude inputs for the refinery will be transported from Mundra port (Gujarat) through a cross-country pipleline.